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Morocco

Citrus

Annual

2007

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Report Highlights:

Morocco's citrus production is expected to drop moderately because of the alternate bearing nature of the trees and heat that prevailed during the fruit setting period. Exports of fresh citrus are expected to drop reflecting the drop in production and should remain concentrated on the EU and Russian market. Exports to the US will continue to consist mostly of small citrus fruit and are not likely to be as high as in 2006/07 because of the small crop size and the weak US dollar.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rabat [MO1]
[MO]

Table of Contents

Production 3

Trade..... 3

 Long-term prospects for fresh citrus exports are grim 4

 Exports to the United States 4

Processed Citrus 5

Production

Morocco's citrus production is expected to drop moderately because of the alternate bearing nature of citrus trees but also because of the dry hot weather that prevailed during fruit setting. Production is expected to be down for all varieties. While quality of late orange varieties still depends largely on weather conditions during the upcoming winter and early spring, production of small citrus varieties (harvested in the fall and early winter) is pretty much set and quality is reportedly not much different from last year.

Production is expected to be lower in the Souss (Vicinity of Taroudent) and the Moulouya Area (Vicinity of Berkane, North East of Morocco). The Souss area accounts for nearly half of Morocco's citrus production in some years and continues to face critical water shortages which eliminate any chance of significant expansion of citrus in the area.

Morocco's citrus production forecast (1,000 MT)

| Variety | Production Forecast 07/08 | Production 06/07 | % Change |
|-----------------------------|---------------------------------|---------------------|---------------|
| Orange, Maroc Late | 355.0 | 382.0 | -7.1% |
| Orange, Navel | 187.0 | 212.0 | -11.8% |
| Orange, Salutiana | 41.6 | 52.0 | -20.0% |
| Orange, Sanguine | 64.4 | 65.5 | -1.7% |
| Small Citrus, Clementine | 300.0 | 355.5 | -15.6% |
| Small Citrus, NadorCott | 18.1 | 17.8 | 1.7% |
| Small Citrus, Nour | 71.0 | 124.5 | -43.0% |
| Small Citrus, Nova | 16.7 | 15.5 | 7.7% |
| Small Citrus, Ortanique | 12.6 | 19.1 | -34.0% |
| Citrus, Other | 42.0 | 41.5 | 1.2% |
| All Citrus* | 1,108.4 | 1,285.4 | -13.8% |

* Source: Export Quality Control Office (EACCE), Ministry of Agriculture
Figures Might differ from PS&D because of different source.

Preliminary results from the most recent citrus census (2007) indicate that the area has been increasing by about 2,000 hectares a year over the last 5 years which is about half of the level recommended by the industry to ensure adequate growth of citrus production. Most of the increase in citrus planted area is for the small citrus fruits (Nour, Afourer, Ortanique, etc.) are currently the most appealing to farmers because of their consistently high prices in the export market.

Over the past few years, fresh citrus prices have increased significantly in the local market and caused the closing of the sole Moroccan citrus concentrate producer because of adequate fruit supply.

Trade

Citrus exports are expected to be down reflecting the anticipated drop in production this year. Exports of Clementines that account for over a third of total citrus export are forecast

to be down by about 10 percent because of the small crop. The export season for small citrus fruits starts about mid September and lasts through February.

Moroccan Fresh Citrus Exports, Main Varieties (1,000 MT):

| Variety | MY 07/08 (Forecast) | MY 06/07 (Estimates) | % Change |
|-----------------------------|------------------------|-------------------------|---------------|
| Orange, Maroc-Late | 151.0 | 163.4 | -7.6% |
| Orange, Navel | 29.0 | 27.3 | 6.3% |
| Orange, Salutiana | 27.0 | 31.9 | -15.3% |
| Orange, Sanguine | 40.0 | 39.4 | 1.5% |
| Small Citrus, Clementine | 180.0 | 201.2 | -10.5% |
| Small Citrus, NadorCott | 12.0 | 11.6 | 3.3% |
| Small Citrus, Nour | 53.6 | 91.9 | -41.7% |
| Small Citrus, Nova | 5.9 | 3.2 | 81.9% |
| Small Citrus, Ortanique | 8.0 | 8.2 | -2.3% |
| Citrus, Others | 8.1 | 4.8 | 67.1% |
| All Citrus* | 514.6 | 583.0 | -11.7% |

* Source: EACCE (Export Quality Control Office). Figures Might differ from PS&D because of different source.

Long-term prospects for fresh citrus exports are grim

Local production can hardly keep up with the increasing demand from both export and local markets. In recent years, Morocco has not always been able to fill the duty-free quota granted by the EU for Clementines (168,000 MT) and oranges (326,000 MT). Prices in the local market have reached a level so that many farmers see a benefit in selling to the local market and avoid risks and delays in payment when exporting. Also, the decline in the EU share in Morocco's agricultural exports indicate that some exporting groups have more difficulties to comply with increasingly complex EU industry standards and requirements. This explains partly why more emphasis has been given in recent years to exporting to less stringent non-EU countries. The Eastern-European markets in particular (Russia) have been generally buying lower quality, cheaper fruit that would be less suitable for the EU market.

Today, there are no Moroccan standards for organic products and exports of organic citrus (as controlled and certified by European firms) did not exceed 1,000 MT last year.

Exports to the United States

It is unlikely that exports to the United States will increase dramatically in a normal year because of the Mediterranean fruit fly mitigation measures (cold treatment) required by APHIS. In addition, since Morocco's production is not likely to show significant, steady increase, in the near future, exports to the United States, should remain limited. Very few exporting groups, with the level of production they have today, have clearly set the United States as a strategic market and most continue to focus on the traditional European market.

U.S. importers actively sought Moroccan citrus in 2007 because of weather damage to the U.S. crop. The surge in demand from the United States did not result in significant exports to the United States as Morocco did not have surplus production to meet the increased demand.

The strong Euro should play in favor of Moroccan exporters this year while, conversely, the relatively smaller crop anticipated in 2007/2008 and the weak US dollar should not favor any significant increase of Moroccan exports to the United States.

Processed Citrus

Since FRUMAT, the sole concentrate producer in Morocco, went bankrupted two years ago, Morocco became a net importer of citrus juice and concentrate (from South America) and is likely to remain so in the future. Today, there are three single strength juice manufacturing plants in Morocco that are hardly able to meet the local demand for consumer oriented single strength juice and, given the prices of the fresh citrus in the local market, the local citrus processors will continue to face strong competition from the imported juices.

PSD Table

Country Morocco

Commodity Tangerines/Mandarins, Fresh

(HECTARES)(1000 TREES)(1000 MT)

| Market Year Begin | 2005 | Revised | | 2006 | Estimate | | 2007 | Forecast | | UOM |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|
| | | | Post | | | Post | | | Post | |
| | USDA | Post | Estimate | USDA | Post | Estimate | USDA | Post | Estimate | |
| | Official | Estimate | New | Official | Estimate | New | Official | Estimate | New | |
| | 10/2005 | 10/2005 | | 10/2006 | 10/2006 | | 10/2007 | 10/2007 | MM/YYYY | |
| Area Planted | 25000 | 25 | 31000 | 25000 | 25 | 32000 | 0 | 0 | 33675 | (HECTARE) |
| Area Harvested | 23000 | 23 | 30000 | 23000 | 23 | 31000 | 0 | 0 | 32000 | (HECTARE) |
| Bearing Trees | 6900 | 6900 | 9300 | 6900 | 6900 | 9600 | 0 | 0 | 10100 | (1000 TREES) |
| Non-Bearing Trees | 600 | 600 | 300 | 600 | 600 | 300 | 0 | 0 | 300 | (1000 TREES) |
| Total No. Of Trees | 7500 | 7500 | 9600 | 7500 | 7500 | 9900 | 0 | 0 | 10400 | (1000 TREES) |
| Production | 454 | 454 | 454 | 479 | 479 | 535 | 0 | 0 | 421 | (1000 MT) |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Supply | 454 | 454 | 454 | 479 | 479 | 535 | 0 | 0 | 421 | (1000 MT) |
| Exports, Fresh | 247 | 247 | 247 | 316 | 316 | 292 | 0 | 0 | 230 | (1000 MT) |
| Fresh Dom. Consumption | 207 | 207 | 207 | 163 | 163 | 243 | 0 | 0 | 191 | (1000 MT) |
| For Processing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Distribution | 454 | 454 | 454 | 479 | 479 | 535 | 0 | 0 | 421 | (1000 MT) |

Export Trade Matrix

Country Morocco

Commodity Tangerines/Mandarins, Fr

| | | | |
|------------------|-----------|---------------|-------------|
| Time Period | Oct./Sep. | Units: | Metric tons |
| Exports for: | 2005 | | 2006 |
| U.S. | 4539 | U.S. | 8318 |
| Others | | Others | |
| Russia | 114851 | Russia | 150902 |
| Canada | 32357 | Canada | 38335 |
| Netherlands | 25981 | Netherlands | 27170 |
| France | 17593 | France | 22254 |
| Great Britain | 12162 | Great Britain | 15868 |
| Lithuania | 14064 | Lithuania | 14142 |
| Finland | 3165 | Finland | 3472 |
| Sweden | 4793 | Sweden | 3170 |
| Saudi Arabia | 4018 | Saudi Arabia | 2876 |
| Norway | 2273 | Norway | 2170 |
| Total for Others | 231257 | | 280359 |
| Others not List | 11384 | | 3000 |
| Grand Total | 247180 | | 291677 |

PSD Table

Country Morocco

Commodity Oranges, Fresh

| | (HECTARES) | | | (1000 TREES) | | | (1000 MT) | | | |
|------------------------|------------|----------|----------|--------------|----------|----------|-----------|----------|----------|--------------|
| | 2005 | Revised | | 2006 | Estimate | | 2007 | Forecast | | UOM |
| | USDA | Post | Post | USDA | Post | Post | USDA | Post | Post | |
| | Official | Estimate | Estimate | Official | Estimate | Estimate | Official | Estimate | Estimate | |
| Market Year Begin | | 10/2005 | 10/2005 | | 10/2006 | 10/2006 | | 10/2007 | 10/2007 | MM/YYYY |
| Area Planted | 51000 | 51 | 40000 | 51000 | 51 | 41000 | 0 | 0 | 42000 | (HECTARE) |
| Area Harvested | 49000 | 49 | 39000 | 49000 | 49 | 40000 | 0 | 0 | 41000 | (HECTARE) |
| Bearing Trees | 15400 | 15400 | 12000 | 15400 | 15400 | 12300 | 0 | 0 | 12600 | (1000 TREES) |
| Non-Bearing Trees | 300 | 300 | 300 | 300 | 300 | 300 | 0 | 0 | 300 | (1000 TREES) |
| Total No. Of Trees | 15700 | 15700 | 12300 | 15700 | 15700 | 12600 | 0 | 0 | 12900 | (1000 TREES) |
| Production | 784 | 784 | 784 | 740 | 740 | 721 | 0 | 0 | 659 | (1000 MT) |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Supply | 784 | 784 | 784 | 740 | 740 | 721 | 0 | 0 | 659 | (1000 MT) |
| Exports, Fresh | 233 | 233 | 233 | 300 | 300 | 238 | 0 | 0 | 210 | (1000 MT) |
| Fresh Dom. Consumption | 545 | 545 | 545 | 434 | 434 | 477 | 0 | 0 | 443 | (1000 MT) |
| For Processing | 6 | 6 | 6 | 6 | 6 | 6 | 0 | 0 | 6 | (1000 MT) |
| Total Distribution | 784 | 784 | 784 | 740 | 740 | 721 | 0 | 0 | 659 | (1000 MT) |

Export Trade Matrix

Country Morocco

Commodity Oranges, Fresh

| | | | |
|-------------------|-----------|---------------|-------------|
| Time Period | MY Oct./S | Units: | Metric Tons |
| Exports for: | 2005 | | 2006 |
| U.S. | 208 | U.S. | 1503 |
| Others | | Others | |
| Russia | 119006 | Russia | 136837 |
| EU Netherlands | 63537 | Netherlands | 39083 |
| EU Great Britain | 21414 | Great Britain | 16305 |
| EU France | 10411 | Canada | 15050 |
| NA Canada | 3477 | France | 11688 |
| EU Finland | 2430 | Sweden | 4140 |
| EU Lithuania | 2356 | Lithuania | 3862 |
| EU Spain | 2277 | Germany | 1712 |
| EU Sweden | 2245 | Finland | 1482 |
| EU Germany | 2063 | Ukraine | 1126 |
| Total for Others | 229216 | | 231285 |
| Others not Listed | 4024 | | 5325 |
| Grand Total | 233448 | | 238113 |

PSD Table

Country Morocco

Commodity Lemons, Fresh

| | 2005 Revised | | | 2006 Estimate | | | 2007 Forecast | | | UOM |
|------------------------|--------------|----------|----------|---------------|----------|----------|---------------|----------|----------|--------------|
| | | | Post | | | Post | | | Post | |
| | USDA | Post | Estimate | USDA | Post | Estimate | USDA | Post | Estimate | |
| Market Year Begin | Official | Estimate | New | Official | Estimate | New | Official | Estimate | New | MM/YYYY |
| | | 10/2005 | 10/2005 | | 10/2006 | 10/2006 | | 10/2007 | 10/2007 | |
| Area Planted | 1000 | 1 | 1000 | 1000 | 1 | 1000 | 0 | 0 | 1000 | (HECTARE) |
| Area Harvested | 1000 | 1 | 1000 | 1000 | 1 | 1000 | 0 | 0 | 1000 | (HECTARE) |
| Bearing Trees | 280 | 280 | 280 | 280 | 280 | 280 | 0 | 0 | 280 | (1000 TREES) |
| Non-Bearing Trees | 10 | 10 | 10 | 10 | 10 | 10 | 0 | 0 | 10 | (1000 TREES) |
| Total No. Of Trees | 290 | 290 | 290 | 290 | 290 | 290 | 0 | 0 | 290 | (1000 TREES) |
| Production | 25 | 25 | 25 | 25 | 25 | 25 | 0 | 0 | 25 | (1000 MT) |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Supply | 25 | 25 | 25 | 25 | 25 | 25 | 0 | 0 | 25 | (1000 MT) |
| Exports, Fresh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Fresh Dom. Consumption | 25 | 25 | 25 | 25 | 25 | 25 | 0 | 0 | 25 | (1000 MT) |
| For Processing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Distribution | 25 | 25 | 25 | 25 | 25 | 25 | 0 | 0 | 25 | (1000 MT) |

PSD Table

Country Morocco

Commodity Citrus, Other, Fresh

| | 2005 Revised | | | 2006 Estimate | | | 2007 Forecast | | | UOM |
|------------------------|--------------|----------|----------|---------------|----------|----------|---------------|----------|----------|--------------|
| | | | Post | | | Post | | | Post | |
| | USDA | Post | Estimate | USDA | Post | Estimate | USDA | Post | Estimate | |
| Market Year Begin | Official | Estimate | New | Official | Estimate | New | Official | Estimate | New | MM/YYYY |
| | | 10/2005 | 10/2005 | | 10/2006 | 10/2006 | | 10/2007 | 10/2007 | |
| Area Planted | 5000 | 5 | 5000 | 5000 | 5 | 5000 | 0 | 0 | 5000 | (HECTARE) |
| Area Harvested | 5000 | 5 | 5000 | 5000 | 5 | 5000 | 0 | 0 | 5000 | (HECTARE) |
| Bearing Trees | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 0 | 0 | 1500 | (1000 TREES) |
| Non-Bearing Trees | 15 | 15 | 15 | 15 | 15 | 15 | 0 | 0 | 15 | (1000 TREES) |
| Total No. Of Trees | 1515 | 1515 | 1515 | 1515 | 1515 | 1515 | 0 | 0 | 1515 | (1000 TREES) |
| Production | 10 | 10 | 10 | 10 | 10 | 10 | 0 | 0 | 10 | (1000 MT) |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Supply | 10 | 10 | 10 | 10 | 10 | 10 | 0 | 0 | 10 | (1000 MT) |
| Exports, Fresh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Fresh Dom. Consumption | 10 | 10 | 10 | 10 | 10 | 10 | 0 | 0 | 10 | (1000 MT) |
| For Processing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Distribution | 10 | 10 | 10 | 10 | 10 | 10 | 0 | 0 | 10 | (1000 MT) |

PSD Table

| Country | Morocco | | | 65 | Degrees Brix | | | | | | |
|----------------------|---------------|---------------|-------------------|---------------|---------------|-------------------|---------------|---------------|-------------------|-------------------|---------|
| Commodity | Orange Juice | | | | | | (MT) | | | | UOM |
| Market Year Begin | 2005 Revised | | | 2006 Estimate | | | 2007 Forecast | | | Post Estimate New | MM/YYYY |
| | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | | |
| | | 10/2005 | 10/2005 | | 10/2006 | 10/2006 | | 10/2007 | 10/2007 | | |
| Deliv. To Processors | 6000 | 6000 | 6000 | 6000 | 6000 | 6000 | 0 | 0 | 6000 | (MT) | |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (MT) | |
| Production | 600 | 600 | 600 | 600 | 600 | 600 | 0 | 0 | 600 | (MT) | |
| Imports | 1700 | 1700 | 1700 | 1700 | 1700 | 1700 | 0 | 0 | 1700 | (MT) | |
| Total Supply | 2300 | 2300 | 2300 | 2300 | 2300 | 2300 | 0 | 0 | 2300 | (MT) | |
| Exports | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (MT) | |
| Domestic Consumption | 2300 | 2300 | 2300 | 2300 | 2300 | 2300 | 0 | 0 | 2300 | (MT) | |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (MT) | |
| Total Distribution | 2300 | 2300 | 2300 | 2300 | 2300 | 2300 | 0 | 0 | 2300 | (MT) | |

Import Trade Matrix

Country Morocco

Commodity Orange Juice

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| Time Period | <input type="text"/> | Units: | <input type="text"/> |
| Imports for: | <input type="text"/> | | 1 |
| U.S. | <input type="text"/> | U.S. | <input type="text"/> |
| Others | <input type="text"/> | Others | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Total for Others | 0 | | 0 |
| Others not Listed | <input type="text"/> | | <input type="text"/> |
| Grand Total | 0 | | 0 |